Company Guide

TFX TOKYO FINANCIAL EXCHANGE

Contents

Introduction

This Company Guide is designed to provide the basic information about TFX.

For any questions, comments, or requests for further information, please contact the following.

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What is TFX ?

About TFX

Tokyo Financial Exchange Inc. (TFX) is a primary financial instruments exchange and clearing house in Japan which offers various products: Three-month Euroyen Futures and Options, FX Daily Futures contracts and Equity Index Daily Futures contracts. TFX was established in April 1989, as a membership organization with the capital provided by major domestic and foreign financial institutions and started the Matching and Clearing Business in June 1989. In April 2004, TFX was demutualized and incorporated. Our company name was changed to the current name, Tokyo Financial Exchange in September 2007.

Financial Derivatives Transactions and Inception of TFX

A futures contract is an agreement to buy or sell the specified asset of a specific volume at the predetermined price on a specific future date.
Due to the series of interest-rate liberalization in Japan since 1980s, great demands of risk-hedge for Yen-based assets took place. To meet such demands, TFX was established in 1989 as a specialized exchange for financial derivative products.

Milestones at TFX

'89	Mar	The Financial Futures Trading Law enforced.
	Apr	Tokyo International Financial Futures Exchange established.
	Jun	**Three-month Euroyen Futures exchange trade and clearing business started.**
'91	Feb	Fully automated computer trading system started.
	Jul	**Options on Three-month Euroyen futures listed.**
'96	Apr	**SPAN® margin system introduced.**
'98	Nov	**Segregation of customer funds introduced.**
'99	Oct	**Give-up and half-tick pricing (for Three-month Euroyen futures and Options) introduced.**
'03	Apr	**Strategy trades and block trades started.**
'04	Apr	TFX demutualization.
'05	Jul	**FX Daily Futures contracts "Click 365" listed. (USD/JPY and other three currency pairs)**
	Oct	**CHF/JPY and other two currency pairs added to FX Daily Futures contracts.**
'07	Feb	**Trading hours for Three-month Euroyen futures and Options extended.**
	Sep	The Financial Instruments and Exchange Law enforced. Company name was changed to Tokyo Financial Exchange.
'08	Oct	**ZAR/JPY and other fifteen currency pairs added to FX Daily Futures contracts.**
'10	Nov	**Equity Index Daily Futures contracts "Click kabu 365" listed. (Nikkei225 and other two indices)**
'15	May	**TRY/JPY added to FX Daily Futures contracts.**
	Nov	**FX Daily Futures contracts "Click365LARGE" listed.**
'16	Jun	**DJIA added to Equity Index Daily Futures Contracts.**
'17	Oct	**MXN/JPY added to FX Daily Futures contracts.**
'20	Oct	**Equity Index Daily Futures contract with Reset Date listed. (Nikkei225 and other three indices)**
'21	May	**FX Clearing "T-CLEAR FX" Started.**
	Sep	**Gold ETF Daily Futures contract with Reset Date and WTI ETF Daily Futures contract with Reset Date added to Equity Index Daily Futures Contracts.**

Engagement of TFX

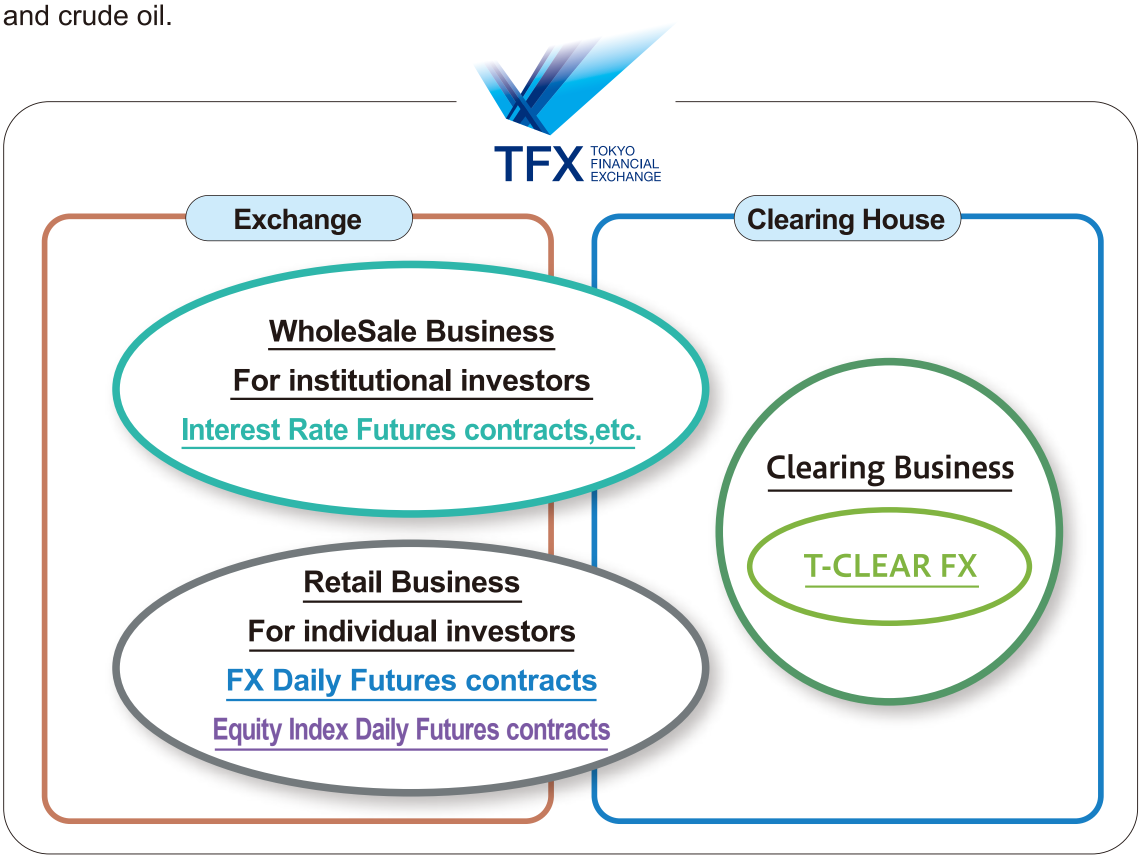
① TFX, as a financial instruments exchange, establishes a financial instruments market, provides facilities for the market, publishes market prices, and is engaged in other operations related to the establishment of a financial instruments market.

② TFX, as a clearing organization for transactions of financial instruments, is engaged in the financial instruments obligation assumption business associated with market derivatives transactions carried out in the market established by TFX.

Initiatives so far

Tokyo Financial Exchange (TFX) contributes to the sound development of the financial markets and the economy of Japan by developing financial instruments markets as public infrastructure related to financial instruments transactions that provide a superior degree of fairness, reliability, and convenience in accordance with the Financial Instruments and Exchange Act.

TFX is a comprehensive financial derivatives exchange listing products covering all major sectors (i.e. interest rates, foreign exchange and stocks). In May 2021, TFX started T-CLEAR FX (FX Clearing Futures contracts) and in September 2021, added new products based on ETFs of gold and crude oil.



Future Initiatives

As a financial market infrastructure, TFX aims to provide financial institutions with useful tools to diversify financial services and manage risks efficiently, as well as listing new products with expanded scope of clearing business.

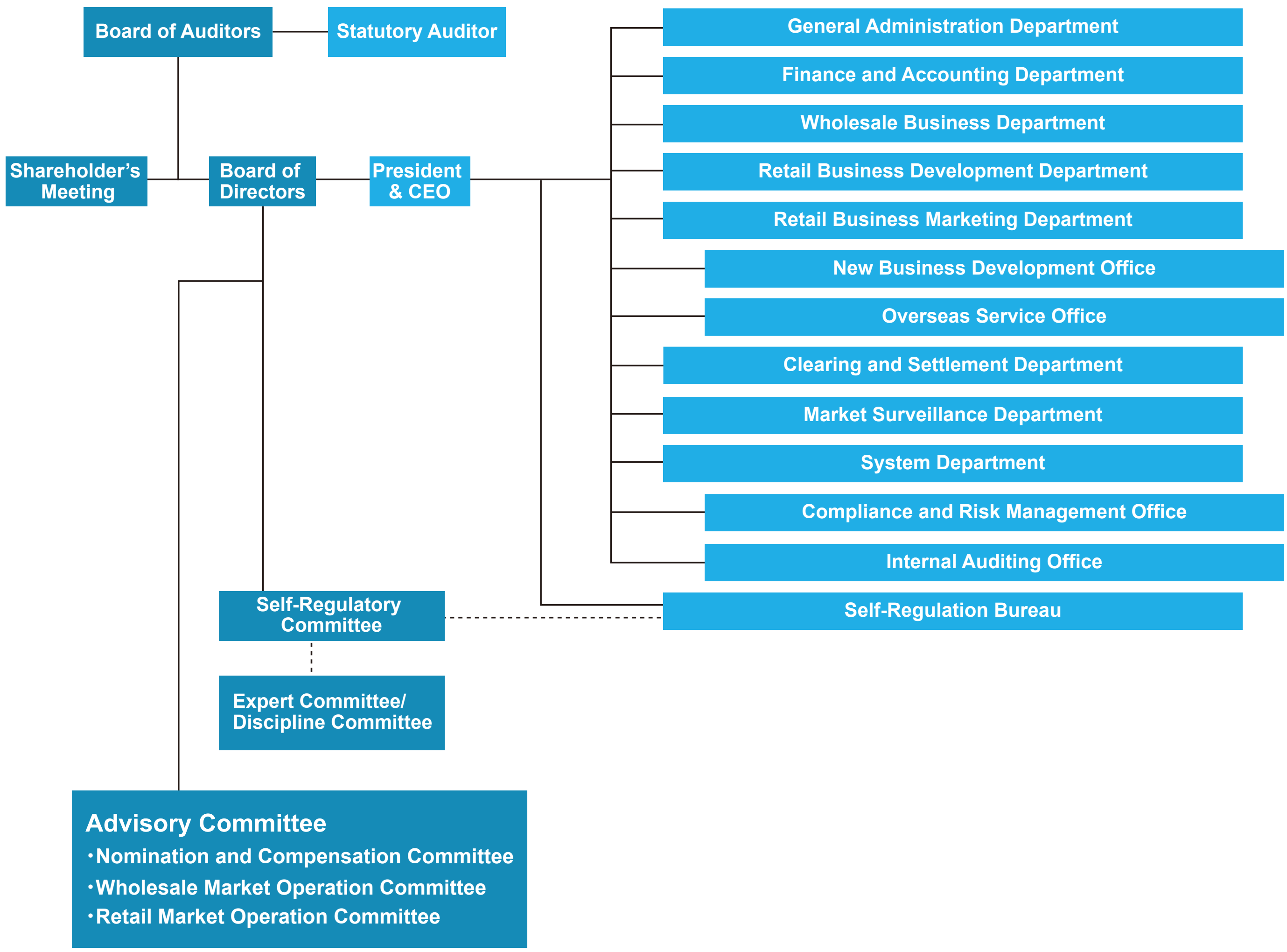
Corporate Information

Company Name	Tokyo Financial Exchange Inc.
Founded	April 25, 1989 (In April 2004, TFX changed from a membership organization to a stock company)
Capital	5,844,650,000 yen
Fiscal Term	From April 1 every year to March 31 of the following year
Number of Employees	76 (As of March 31, 2021)
Number of Shares Issued and Outstanding	862,750
Number of Shareholders	81 (As of March 31, 2021)

Major shareholder

Name	Shares held	Shareholding ratio (%)
MUFG Bank, Ltd.	43,130	4.99
Sumitomo Mitsui Banking Corporation	43,060	4.99
Mitsubishi UFJ Trust and Banking Corporation	41,320	4.78
Mizuho Bank, Ltd.	32,400	3.75
Sumitomo Mitsui Trust Bank, Limited	31,320	3.63
Daiwa Securities Co. Ltd	30,660	3.55
Mizuho Securities Co., Ltd.	26,937	3.12
Goldman Sachs Japan Co., Ltd.	26,320	3.05
The Shinkin Central Bank	20,660	2.39
The Norinchukin Bank	20,660	2.39
Mizuho Trust & Banking Co., Ltd.	20,660	2.39
The Bank of Yokohama,Ltd.	20,660	2.39

Organizational Chart



Directors and Statutory Auditors (As of June 25, 2021)

President & CEO	Nobuyuki Kinoshita	-
Senior Managing Director	Takuo Hirota	-
Managing Director	Shinichi Yamashita	-
Director (Outside)	Tetsuo Seki	The Shoko Chukin Bank, Ltd. Honorary advisor
Director (Outside)	Junko Hirakawa	City-Yuwa Partners Attorney-at-Law, Partner
Director (Outside)	Takashi Morisaki	Mitsubishi Research Institute, Inc. President and Representative Director
Director (Outside)	Zenichi Shishido	MUSASHINO UNIVERSITY Professor of Law
Director (Outside)	Yutaka Miyashita	MUFG Bank,Ltd. Member of Board of Directors, Managing Excective Officer Chief Strategy Officer
Standing Statutory Auditor	Mikito Uesugi	-
Statutory Auditor (Outside)	Yukio Ono	Accounting Standards Board of Japan Senior Advisor
Statutory Auditor (Outside)	Hideaki Sudo	Tokyo Fuji Law Office Attorney-at-Law, Partner

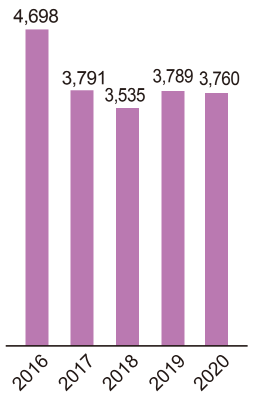
Governance Structure

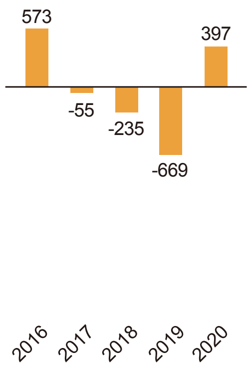
① The Board of Directors makes decisions on important matters regarding fundamental management policy and business activities, and supervises the director's performance of duties.
② The Board of Auditors audits the director's performance of duties, and submits an audit report to the shareholders' meeting in accordance with the internal control policy.
③ The Nomination and Compensation Committee deliberates on the election and dismissal of officers and remuneration for officers.
④ The Self-regulatory Committee makes decisions on self-regulatory operations to ensure the fairness, transparency and credibility of the market, based on delegation from the Board of Directors.

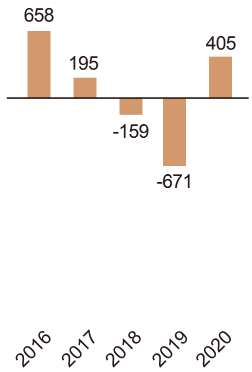
Corporate Organization	Company with a Board of Auditors
Number of Directors	8 Directors (Including 5 Outside Directors)
Number of Statutory Auditors	3 Statutory Auditors (including 2 Outside Statutory Auditors)
Advisory Committee	The Nomination and Compensation Committee, Market Operation Committees
Self-regulatory Committee	3 Directors (including 2 Outside Directors)

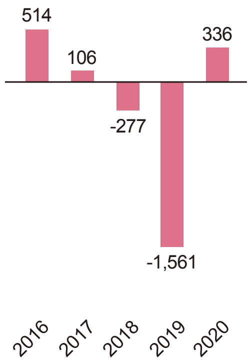
Financial Highlights

Operating Revenues※	Operating Income	Ordinary Income	Net Income
3,760 million yen	397 million yen	405 million yen	336 million yen
Change from FY 2019	Change from FY 2019	Change from FY 2019	Change from FY 2019
-0.7 %	- %	- %	- %
(Unit million yen)	(Unit million yen)	(Unit million yen)	(Unit million yen)









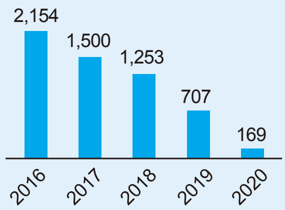
※With the application of "Accounting Standard for Revenue Recognition since FY2020, TFX retroactively revised the operating revenues before FY2019.

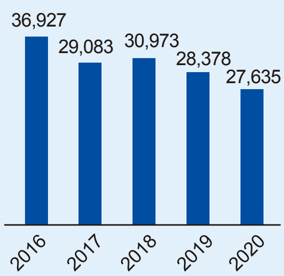
Trading Volume Highlights

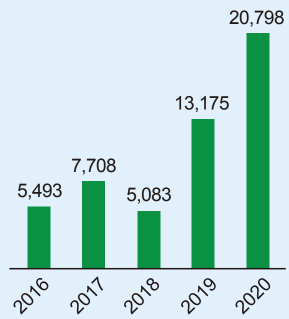
	Interest Rate Futures contracts	FX Daily Futures contracts "Click 365"	Equity Index Daily Futures contracts "Click Kabu 365"
FY2020 (daily average) Change from FY 2019	169,271 lots (691 lots) ▲76.1%	27,653,585 lots (106,361 lots) ▲2.6%	20,798,203 lots (130,055 lots) 57.9%

Trend of trading volumes

(in thousands)







Trading volumes of all products(Annual total) **48,621,059** lots Year-on-year **+15.0**% (Daily average 237,107 lots)

Financial Statements

[Income Statement (Summary)]

(in million yen, rounded off to milions)

Account Titles	FY 2019 From 4/1/2019 to 3/31/2020	FY 2020 From 4/1/2020 to 3/31/2021
Operating Revenues	3,789	3,760
Fixed amount exchange fees	134	132
Per-contract exchange fees	3,172	3,134
Income related to system equipment	162	168
Other exchange fees	27	27
Member registration fees and others	12	2
Income from information services	251	259
Income from management of specified funds	29	36
Operating Expenses	4,458	3,363
Selling, general and administrative expenses	4,458	3,363
Operating Income/ Operating Loss (▲)	▲ 669	397
Non-operating Revenues	8	8
Non-operating Expenses	10	0
Ordinary Income/Ordinary Loss (▲)	▲ 671	405
Extraordinary Income/ Extraordinary Loss (▲)	▲ 792	-
Income before income taxes/ Loss before income taxes (▲)	▲ 1,463	405
Income taxes - current	3	69
Income taxes - deferred	94	-
Net Income/Net Loss (▲)	▲ 1,561	336

[Blance Sheet (Summary)]

(in million yen, rounded off to milions)

Account Titles	FY 2019 As of 3/31/2020	FY 2020 As of 3/31/2021
(Assets)		
Current Assets	18,065	18,598
Cash and bank deposits	6,832	8,164
Accounts receivable - trade	1,580	764
Securities	9,600	9,600
Accounts receivable - other	12	13
Prepaid expenses	39	55
Others	0	0
Non-current Assets	543,030	493,526
Tangible fixed assets	492	381
Furniture and equipment	492	380
Intangible fixed assets	2,912	2,217
Software	2,911	2,210
Software development in progress	-	6
Others	1	0
Investment and other assets	129	273
Assets held for gurantee from members	539,496	490,653
Total Assets	561,096	512,125

Account Titles	FY 2019 As of 3/31/2020	FY 2020 As of 3/31/2021
(Liabilities)		
Current Liabilities	1,384	923
Accounts payable - trade	1,027	683
Accounts payable - other	170	-
Income taxes payable	34	93
Consumption taxes payable	97	76
Others	53	70
Non-current Liabilities	540,097	491,294
Deposits received from members	539,496	490,653
Others	601	640
Total Liabilities	541,481	492,217
(Net Assets)		
Shareholders' Equity	19,614	19,907
Common stock	5,844	5,844
Capital surplus	6,045	6,045
Retained earnings	7,723	8,017
Default compensation reserve	2,600	3,000
Retained earnings brought forward	5,123	5,017
Total Net Assets	19,614	19,907
Total Liabilities and Net Assets	561,096	512,125

[Statement of Changes in Net Assets Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)]

(in million yen, rounded off to milions)

	Shareholder's Equity								Total Net Assets
		Capital surplus		Retained earnings					
				Other retained earnings					
	Common stock	Capital reserve	Total capital surplus	Default compensation reserve for Interest Rate Futures contracts	Default compensation reserve for Daily Futures contracts	Retained earnings brought forward	Total retained earnings	Total shareholder's equity	
Balance as of April 1, 2020	5,844	6,045	6,045	800	1,800	5,123	7,723	19,614	19,614
Changes during the term									
Dividend paid	-	-	-	-	-	△43	△43	△43	△43
Transfer to default compensation reserve	-	-	-	-	600	△600	-	-	-
Default compensation reserve withdrawn	-	-	-	△200	-	200	-	-	-
Net Income	-	-	-	-	-	336	336	336	336
The amount changed during the term except shareholders' equity item	-	-	-	-	-	-	-	-	-
Total amount changed during the term	-	-	-	△200	600	△106	293	293	293
Balance as of March 31, 2021	5,844	6,045	6,045	600	2,400	5,017	8,017	19,907	19,907

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Interest Rate Futures contracts at TFX

(1) Listed Products

	Three-month Euroyen Futures		Options on Three-month Euroyen Futures
Underlying asset	Three-month Euroyen JBA TIBOR※1	**Underlying asset**	Three-month Euroyen Futures
Trading unit	¥100,000,000 (Notional principal amount)	**Trading unit**	One unit of Three-month Euroyen Futures ("Euroyen Futures") 100,000,000 (Notional principal amount)
Price quotation	100 minus rate of interest	**Price quotation**	Quoted in Euroyen Futures points (0.005)
Tick Size	0.005(0.005%)	**Tick size**	0.005
Tick Value	¥1,250	**Tick value**	¥1,250
		Strike price intervals	0.125
Contract months	20 quarterly months (March, June, September, December) and 2 serial months※2	**Contract months**	5 contract quarterly months (March, June, September, December)
Last trading day	Two business days prior to the third Wednesday of the contract month	**Last trading day**	Two business days prior to the third Wednesday of the contract month
Final settlement day	The first business day following the last trading day	**Final settlement day**	The first business day following the last trading day
Final settlement	Cash Settlement	**Exercise style**	American type
Final settlement price	The final settlement price is calculated to the third decimal place. To calculate, round up the figure on the fourth decimal place if it is five or over and round off if it is less than five. For example, if TIBOR is 0.12786%, the final settlement price is 99.872(100 minus 0.128).		
Trading hours (JST)	8:30 ~ 8:45 Pre-open period (Order entry without execution)	**Trading hours (JST)**	8:30 ~ 8:45 Pre-open period
	8:45 ~ 11:30 Day session (Cleared as today's trade)		8:45 ~ 11:30 Day session
	11:30 ~ 12:30 Restricted period (Cancel and volume cutback only)		11:30 ~ 12:30 Restricted period
	12:30 ~ 15:30 Day session (Cleared as today's trade)		12:30 ~ 15:30 Day session
	15:30 ~ 20:00 Evening session (Cleared as the next day's trade)		15:30 ~ 20:00 Evening session
Trading hours for the contract on its last trading day (JST)	8:30 ~ 8:45 Pre-open period	**Trading hours for the contract on its last trading day (JST)**	8:30 ~ 8:45 Pre-open period
	8:45 ~ 11:00 Day session		8:45 ~ 11:00 Day session

※1 : TIBOR(Tokyo InterBank Offered Rate) is determined by JBA TIBOR Administration (JBATA)

※2 : Serial months are the months other than March, June, September and December.
For example, as of April 1, the serial months to be listed are April and May, as of May 1, May and July, as of June 1, July and August.

	Six-month Euroyen LIBOR Futures (Tradig suspended)※4		Over-Night Call Rate Futures (Trading suspended)※5
Underlying asset	Six-month Euroyen ICE LIBOR	**Underlying asset**	The monthly average of Uncollateralized Over-Night Call Rate (Final results) released by Bank of Japan (BOJ)
Trading unit	¥100,000,000 (Notional principal amount)	**Trading unit**	¥300,000,000 (Notional principal amount)
Price quotation	100 minus rate of interest	**Price quotation**	100 minus rate of interest
Tick size	0.0025	**Tick size**	0.005
Tick value	¥1,250	**Tick value**	¥1,250
Contract months	20 quarterly months (March, June, September, December) and 2 serial months※2	**Contract months**	First 6 months
Last trading day	Two London Business days prior to the third Wednesday of the contract month	**Last trading day**	The last day of the month (the immediately prior business day if such trading day falls on a Japanese bank holiday.)
Final settlement day	The second business day after the last trading day	**Final settlement day**	The second business day following the last trading day
Final settlement	Cash settlement	**Final settlement**	Cash Settlement
Final settlement price	The final settlement price is calculated to the fourth decimal place. To calculate, round up the figure on the fifth decimal place if it is five or over and round off if it is less than five. For example, if LIBOR is 0.12786%, the final settlement price is 99.8721(100 minus 0.1279).	**Final settlement price**	100 minus the monthly average of Uncollateralized Over-Night Call Rate (final results) in the contract month published by BOJ, rounded to the nearest 3rd decimal place
Trading hours (JST)	8:30 ~ 8:45 Pre-open period	**Trading hours (JST)**	8:30 ~ 8:45 Pre-open
	8:45 ~ 11:30 Day session		8:45 ~ 11:30 Day session
	11:30 ~ 12:30 Restricted period		11:30 ~ 12:30 Restricted period
	12:30 ~ 15:30 Day session		12:30 ~ 15:30 Day session
	15:30 ~ 20:00 Evening session		15:30 ~ 20:00 Evening session
Trading hours for the contract on its last trading day (JST)	8:30 ~ 8:45 Pre-open period	**Trading hours for the contract on its last trading day (JST)**	8:30 ~ 8:45 Pre-open
	8:45 ~ 11:30 Day session		8:45 ~ 11:30 Day session
	11:30 ~ 12:30 Restricted period		11:30 ~ 12:30 Restricted period
	12:30 ~ 15:30 Day session		12:30 ~ 15:30 Day session
	15:30 ~ 20:00 Evening session※3		

※3 : During the time when Daylight Saving time is applied in the UK, the evening session ends at 19:00.

※4 : Trading of Six-month Euroyen LIBOR Futures has been suspended since the evening session of June 30th 2014.

※5 : Trading of Over-Night Call Rate Futures has been suspended since July 21st 2017.

(2) Features of the Trading

Trading Member	Trading Member is an enterprise who participates in the TFX market directly. In order to ensure fair and efficient financial futures transactions at the TFX market, Trading Members are required to meet financial and other membership criteria prescribed by TFX and maintain proper credit capability. Trading Members cover a broad range of financial sectors such as banks, securities companies, credit associations, futures brokers, foreign financial institutions, representing the openness of the TFX market.
High liquidity	All TFX products have the standardized terms in respect of trading unit, settlement date and price indication method, etc. Such standardization facilitates participation by many investors in the TFX market and produces high liquidity at the TFX market. ※Liquidity may be low for some contracts and products.
Fair market price	The prices of all contracts executed at the TFX market are determined and made public in a fair, equitable and efficient manner. Orders are matched on the basis of the principle of "price and time priority". Not only Trading Members but also non-member investors can access the real-time market data, including market depths, through information service vendors.
Clearing service	TFX acts as a counter party to each contract as a clearinghouse and undertakes clearing of all trades at the TFX market, which ensure settlement of all such trades. In this way, market participants are shielded from exposure to counter party risk.
Margin system	Margin system requires market participants to deposit cash or cash equivalents as collateral securities with the exchange, aiming to secure trading performance. Each Trading Members' position is revaluated based on the daily settlement price (mark-to-market). If the margin amount then deposited by the Trading Member becomes insufficient as a result of mark-to-market, an additional margin must be deposited (the margin system). These procedures prevent accumulation of losses.
Customers protection	Under the segregation scheme, each Trading Member must segregate its customer's margin from the Trading Members' own margin and deposit them with TFX. Similarly, TFX segregates each Trading Members' margin and its respective customer's margin and manages them separately.
Trading System	TFX's trading system has a great flexibility and scalability, allowing Trading Members to access the TFX market in diverse ways. With its sophisticated functionalities, Trading Members are able to trade on the TFX market for their various needs.

(3) Product Overview

Three-month Euroyen Futures

A Three-month Euroyen Futures contract is an agreement to buy or sell a specific volume of the predetermined rate of Euroyen three-month deposit commencing on a specific future date. Euroyen Futures are effective tools to reduce risk of interest-rate fluctuation, by fixing the future interest rate beforehand. The price of Euroyen Futures indicates an expected interest rate at the future point defined by a contract month.
For example, a price of the contract month September 20XX is indicative of Three-month Euroyen TIBOR (Tokyo InterBank Offered Rate) rate in September 20XX.

Three-month is the most popular term of funding/deposit among financial institutions or enterprises.

Three-month **Euroyen** **Futures**

Predicting a future interest rate at present.

The price for Three-month Euroyen Futures is structured as below:

100−Interest rate (%)

Therefore the following correlation is found between an interest rate and a futures price:

Euroyen Futures price fall	=	Interest rate rise	=	Bond price fall
Euroyen Futures price rise	=	Interest rate fall	=	Bond price rise

Example When an interest rate of Euroyen Three-month is 0.200%,
its price will be displayed as:100−0.200=99.800

Practical Use of Three-month Euroyen Futures

As an Indicator of a Future Interest Rate

A price of Three-month Euroyen Futures can be used to estimate a trend of the interest rate.

Example
JUN 20XX Three-month Euroyen Futures price 99.645 ▶ 100−99.645=0.355%
SEP 20XX Three-month Euroyen Futures price 99.630 ▶ 100−99.630=0.370%
DEC 20XX Three-month Euroyen Futures price 99.615 ▶ 100−99.615=0.385%

In this case, it is expected that short-term interest rates will rise gradually for the next few months.

As Risk-hedge Tool

Three-month Euroyen Futures can be used to efficiently hedge interest-rate fluctuation risk by taking a position opposite to the existing cash position (Hedge trade).

To hedge the increase of interest rate

Bearing risk of interest rate appreciation in the future = Carrying risk of Euroyen Futures depreciation → Selling Euroyen Futures for a hedge purpose

To hedge the decrease of interest rate

Bearing risk of interest rate depreciation in the future = Carrying risk of Euroyen Futures appreciation → Buying Euroyen Futures for a hedge purpose

Example

On May 1, 20XX, Company A has a plan of borrowing JPY 1 billion for three months, starting from June 1. Company A is afraid that an interest rate may rise towards June 1 and intends to hedge the risk of interest-rate appreciation.

	Futures	Spot
Hedging date: May 1	Selling 10 units of Euroyen Futures (contract month: June 20XX) at 99.750	Three-month Euroyen rate: 0.25%, no transaction
	As expected, interest rate rises 0.2% in both futures and spot.	
Funding date: June 1	Buying 10 units of Euroyen Futures (contract month: June 20XX) at 99.550	Three-month Euroyen rate: 0.45% funding JPY 1 billion
Results	Profit from Euroyen Futures: JPY 500,000	Increase of interest payable JPY 500,000
	Offset	
Calculation of results	99.750−99.550 = 0.200 10 units×(0.200/0.005)×JPY 1,250	(0.45%−0.25%)×JPY 1 billion×90/360

As a result, Company A hedged the risk of interest-rate appreciation successfully by using the Three-month Euroyen Futures.

As a Speculation

Three-month Euroyen Futures also can be used to pursue profits generated by price fluctuation by taking a position based on the speculator's own market perspective (Speculation).

Example

In December 20XX, Company B is anticipating the depreciation of Three-month Euroyen Futures (interest-rate appreciation).

Making position

Selling 100 units of Euroyen Futures at 99.700

As anticipated, Euroyen Futures fall (= interest rate rise)

Closing position

Buying 100 units of Euroyen Futures at 99.300 to close short position.

Profit

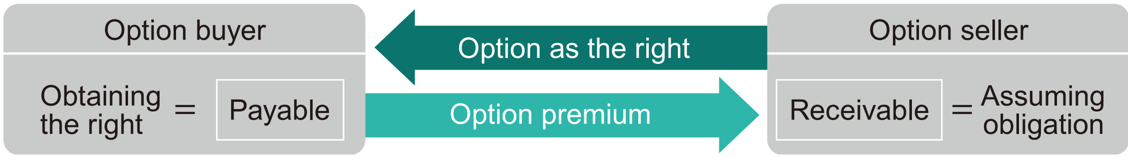
99.700−99.300=0.400
100units×(0.400/0.005)×1,250
=+JPY10,000,000

As a result of this speculation, Company B successfully earned the profit of JPY 10,000,000.

Options on Three-month Euroyen Futures

Options on Three-month Euroyen Futures are the right to enable the Option buyer to buy or sell a certain volume of Three-month Euroyen Futures contracts at a predetermined price (the“strike price”).

Structure of option trading



The option buyer obtains the right by paying option premium to the option seller, and in consideration of the option premium, the option seller assumes the obligation to let the option buyer exercise the right (“exercise” or “option exercise”).
The option price fluctuates based on the time remaining for the option to be exercised, strike price, and volatility of the underlying futures.

Calculation of option premium

JPY1,250 × (option price/0.005) × contract volume

Option Types

There are two types of option products, i.e., put options and call options.
Put : Options that give a buyer the right to sell Euroyen Futures at a strike price.
Call : Options that give a buyer the right to buy Euroyen Futures at a strike price.

Option	**Put option**	Buyer	Entitled to exercise the right to sell at a strike price
		Seller	Obliged to buy at a strike price
	Call option	Buyer	Entitled to exercise the right to buy at a strike price
		Seller	Obliged to sell at a strike price

Options products provided by TFX are of American type, giving an option buyer the right to exercise anytime prior to the expiry date. An option buyer may close the option trade by reselling a position in the market, instead of option exercise, and an option seller may close the position trade by covering a position. The buyer’s right will be exercised automatically at the expiry date if the option exercise would produce a profit (In The Money) on the expiry date. On the other hand, the buyer’s right will be extinguished automatically at the expiry date if the option exercise would produce no profit (At The Money/Out of The Money) on the expiry date.

FX Daily Futures contracts at TFX

(1) Listed Products

<table>
<tr><td rowspan="2">Currency pair</td><td colspan="5">Yen Pairs
US Dollar, Euro, British Pound, Australian Dollar, Swiss Franc, Canadian Dollar, New Zealand Dollar, South Africa Rand, Norwegian Krone, Swedish Krona, Hong Kong Dollar, Polish Zloty, Turkish Lira, Mexican Peso, US Dollar(Large), Euro(Large), British Pound(Large), Australian Dollar(Large)</td></tr>
<tr><td colspan="5">Cross Currency pairs
Euro/US Dollar, British Pound/US Dollar, Australian Dollar/US Dollar, New Zealand Dollar/US Dollar, US Dollar/Canadian Dollar, British Pound/Swiss Franc, US Dollar/Swiss Franc, Euro/Swiss Franc, Euro/Australian Dollar, British Pound/Australian Dollar, Euro/British Pound, Euro/US Dollar(Large)</td></tr>
<tr><td rowspan="2">Trading Unit</td><td>Yen Pairs
US Dollar,
Euro,
British Pound,
Australian Dollar,
Swiss Franc,
Canadian Dollar,
New Zealand Dollar,
Turkish Lira,
Polish Zloty</td><td>Cross Currency pairs
Except Euro / US Dollar(Large)</td><td>Yen Pairs
South Africa Rand,
Norwegian Krone,
Swedish Krona,
Hong Kong Dollar,
Mexican Peso,
US Dollar(Large),
Euro(Large),
British Pound (Large),
Australian Dollar (Large)</td><td colspan="2">Cross Currency pairs
Euro/ US Dollar(Large)</td></tr>
<tr><td colspan="2">10,000 currency units</td><td colspan="3">100,000 currency units</td></tr>
<tr><td rowspan="2">Price Quotation</td><td colspan="2">Yen Pairs</td><td colspan="3">Cross Currency Pairs</td></tr>
<tr><td colspan="2">Yen equivalent to 1 currency</td><td colspan="3">Term currency equivalent to 1 base currency</td></tr>
<tr><td rowspan="2">Tick Size</td><td>Yen Pairs
US Dollar,
Euro,
Australian Dollar,
South Africa Rand,
Norwegian Krone,
Swedish Krona,
Hong Kong Dollar,
Mexican Peso</td><td>Yen Pairs
British Pound,
Swiss Franc,
Canadian Dollar,
New Zealand Dollar,
Turkish Lira,
Polish Zloty</td><td>Yen Pairs
US Dollar(Large),
Euro(Large),
British Pound (Large),
Australian Dollar (Large)</td><td colspan="2">Cross Currency pairs</td></tr>
<tr><td>0.005</td><td>0.01</td><td>0.001</td><td colspan="2">0.0001</td></tr>
<tr><td rowspan="2">Tick Value</td><td>Yen Pairs
US Dollar,
Euro,
Australian Dollar</td><td>Yen Pairs
British Pound,
Swiss Franc,
Canadian Dollar,
New Zealand Dollar,
Polish Zloty,
Turkish Lira
Large currency pairs</td><td>Yen Pairs
South Africa Rand,
Hong Kong Dollar,
Norwegian Krone,
Swedish Krona,
Mexican Peso</td><td>Cross Currency pairs
Except Euro / US Dollar (Large)</td><td>Cross Currency pairs
Euro/ US Dollar (Large)</td></tr>
<tr><td>¥50</td><td>¥100</td><td>¥500</td><td>1 term currency</td><td>10 term currency</td></tr>
<tr><td>Settlement</td><td colspan="5">Cash Settlement</td></tr>
<tr><td>Swap Point</td><td colspan="5">Single Price (¥ denominated)</td></tr>
</table>

(2) Trading Hours

(1)Yen Currency Pairs

<table>
<tr><th rowspan="2">Days of Week</th><th colspan="2"><Non-period of summer time in New York></th><th colspan="2"><The period of summer time in New York></th></tr>
<tr><th>Open</th><th>Closing</th><th>Open</th><th>Closing</th></tr>
<tr><td>Monday</td><td>7:10AM</td><td rowspan="2">Next day 6:55AM</td><td>7:10AM</td><td rowspan="2">Next day 5:55AM</td></tr>
<tr><td>Tuesday-Thursday</td><td rowspan="2">7:55AM</td><td rowspan="2">6:55AM</td></tr>
<tr><td>Friday</td><td>Next day 6:00AM</td><td>Next day 5:00AM</td></tr>
</table>

(2)Cross Currency Pairs

<table>
<tr><th rowspan="2">Days of Week</th><th colspan="2"><Non-period of summer time in New York></th><th colspan="2"><The period of summer time in New York></th></tr>
<tr><th>Open</th><th>Closing</th><th>Open</th><th>Closing</th></tr>
<tr><td>Monday</td><td>7:10AM</td><td rowspan="2">Next day 6:25AM</td><td>7:10AM</td><td rowspan="2">Next day 5:25AM</td></tr>
<tr><td>Tuesday-Thursday</td><td rowspan="2">7:55AM</td><td rowspan="2">6:55AM</td></tr>
<tr><td>Friday</td><td>Next day 5:30AM</td><td>Next day 4:30AM</td></tr>
</table>

※There will be a 10 minute Pre-Open period prior to the commencement of each session except a 1 hour Pre-Open period for Yen Currency Pairs and Cross Currency Pairs on the first trading day of every week.
During Pre-Open, order submission is permitted yet no trades take place.
※Any change in trading hours will be announced in advance on TFX FX Daily Futures contracts Website.

(3) Non-Trading Day

Saturday, Sunday, New Year's day and January 2 when New Year's day falls on Sunday.
※The Exchange may designate an ad hoc holiday for FX Daily Futures contracts when the Exchange deems necessary to do so.

(4) Brief Outline

We can see TV report about foreign exchange transactions on a routine basis. Professionals of foreign exchange dealers at banks or security firms are main players dealing with such transactions in the inter-bank market. The transactions happen in the global inter-bank market including Tokyo, Europe and USA beyond the time-zone difference and around the clock.

The FX Daily Futures contracts in TFX bases the above inter-bank foreign exchange transaction. TFX introduced the contract to allow end-users such as individual investors to make transactions in fair and transparent manner. It allows larger amount of business than deposited margin (so called "leverage effect"). Therefore, investment efficiency is higher compared with foreign currency deposit.

(5) Features of Click 365

1 Provided by the Trading Members who meet high standard of the necessary qualifications

TFX sets high standard of the necessary qualifications for Trading Members as well as criteria under Financial Instruments and Exchange Act, etc.

	TFX rules	FIEA,etc.
Paid-in-Capital	Over ¥300,000,000	Over ¥50,000,000
Net asset value	Over ¥2,000,000,000	–
Capital-to-Risk Ratio	Over 200%	Over 120%

2 Margin deposit is protected by the Exchange in segregated account

Trading Members are obliged to deposit all amount of the customer margins to TFX. If Trading Members should go bankrupt, all customer margins deposited to TFX would be returned to investors in principle.

3 Competitive and transparent bid and offer prices are offered by Market Maker scheme

TFX provides the most competitive price for investors among prices offered by leading financial institutions called Market Makers. Not only prices but also information on tradable volume is made available to investors, which allows for transparent trading.※1

(Ex1.) Offered prices by Market makers

Market maker	Bid	Offer	Spread
A	109.455 (1,200)	109.480 (1,100)	0.025yen
B	109.450 (1,700)	109.480 (900)	0.030yen
E	109.460 (1,100)	109.495 (1,500)	0.035yen
F	109.460 (600)	109.485 (1,000)	0.025yen

Offered Price in Click 365

Bid	Offer	Spread
109.460 (1,700)	109.480 (2,000)	0.020yen

4 Swap points are fixed to be a single price, regardless of receipt and payment

Swap points are fixed to be a single price, thereby making it impossible for TFX or Trading Members to retain a profit margin from swap points.

5 No rejection of trade or slippage

Orders are executed promptly as long as the volumes Market Makers provide. There is no worry about rejection and unnatural slippage.※2

6 Reliable FX product listed on the public exchange market

TFX is a financial instruments exchange licensed to establish a financial instruments exchange market under the FIEA. Click 365 is a reliable FX Daily Futures contracts which has features of protection of customer margin and transparent pricing system.

※1 Not all Market Makers offer price for whole currency pairs.

※2 Before a market order reaches to the exchange, if the market price fluctuates and the order is over a price limit which investors set, the order shall not be executed. In case an order exceeds the volumes Market Makers offer, The order might be partly executed.

7 Income tax treatment for trading in TFX

After the tax system revision in the fiscal year 2005, trading in TFX have the income tax treatment of “separate self-assessment taxation”,“carry over of loss relief over three years” and “aggregation of profit and loss for security futures and commodity futures”.
※The tax system is subject to change over time.

(6) Features of Click 365 Large

Click 365 Large launched on November 30, 2015 to meet the trading needs of large volume investors at home and abroad, as well as investors who are focused on tight spreads.

1 The contract size will be 10 times larger than Click 365.

2 Minimum tick size is 0.1 pip (except for EUR-USD pair), finer than the one of Click 365 (0.5 pip), it is expected that investors will be able to trade the contracts in a more precise manner, reflecting their market views.

3 Large unit orders can be executed (high execution capability as with Click 365).

4 5 major currency pairs (USD-JPY, EUR-JPY, GBP-JPY, AUD-JPY and EUR-JPY).

Equity Index Daily Futures contracts at TFX

(1) Listed Products

Listed Product※	Nikkei225 Daily Futures contract with Reset Date	(Listed on October 26, 2020)
	DJIA Daily Futures contract with Reset Date	(Same as above)
	DAX® Daily Futures contract with Reset Date	(Same as above)
	FTSE100 Daily Futures contract with Reset Date	(Same as above)
	Gold ETF Daily Futures contract with Reset Date	(Listed on September 13,2021)
	WTI ETF Daily Futures contract with Reset Date	(Same as above)

<table>
<tr><th>Listed Product</th><th colspan="3">Nikkei225 Daily Futures contract with Reset Date</th><th colspan="2">DJIA Daily Futures contract with Reset Date</th></tr>
<tr><td>Trading Units</td><td colspan="3">Index × 100</td><td colspan="2">Index × 10 yen※1</td></tr>
<tr><td>Tick Sizes</td><td colspan="3">1 yen (100yen)</td><td colspan="2">1 point (10yen)※1</td></tr>
<tr><td>Price Quotation</td><td colspan="5">Yen equivalent to 1 contract</td></tr>
<tr><td rowspan="3">Trading Hours</td><td colspan="2"></td><td colspan="2">Opening※2</td><td>Closing</td></tr>
<tr><td colspan="2">Standard Time/NY,U.S.A.</td><td colspan="2" rowspan="2">8:30AM</td><td>Next day 6:00AM</td></tr>
<tr><td colspan="2">Summer Time/NY,U.S.A.※3</td><td>Next day 5:00AM</td></tr>
<tr><td>Non-Trading Day</td><td colspan="3">Saturday, Sunday, New Year's Day and January 2 When New Year's Day falls on Sunday</td><td colspan="2">1. Saturday, Sunday, and holidays of US DJIA Futures market
2. Day(s) which falls on between Last Trading Day and Reset Date. (Only applicable to contracts held unsettled till the end of Last Trading Day.)</td></tr>
<tr><td>First Trading Day</td><td colspan="5">The trading day immediately following the Second Friday of September (Monday in principle)</td></tr>
<tr><td>Last Trading Day</td><td colspan="3">The trading day immediately preceding Reset Date</td><td colspan="2">The trading day immediately preceding the Third Friday of December of the following year of the contract commencement</td></tr>
<tr><td>Reset Date</td><td colspan="3">The second Friday of December of the following year of the contract commencement</td><td colspan="2">The trading day immediately following the Third Friday of December of the following year of the contract commencement</td></tr>
<tr><td rowspan="2">Reset Price</td><td colspan="5">Reset Price is the final settlement price by which outstanding position held unsettled on the Reset Date is settled.</td></tr>
<tr><td colspan="5">The final settlement price of exchange-traded future of the equivalent underlying (December contract of the year Reset is made) rounded to the nearest whole number</td></tr>
<tr><td rowspan="2">Interest</td><td colspan="3">Settlement Price ×100 ×Japanese Yen Interest Rate × Days / 365</td><td colspan="2">Settlement Price ×100 ×Foreign Currency Interest Rate × Days / 365</td></tr>
<tr><td colspan="5">Buyer pays / Seller receives</td></tr>
<tr><td>Dividend</td><td colspan="5">Buyer receives / Seller pays</td></tr>
<tr><td>Settlement</td><td colspan="5">Cash Settlement(¥)
Outstanding position not offset by the last trading day will be settled at "Reset Price"</td></tr>
</table>

<table>
<tr><th>Listed Product</th><th colspan="3">DAX® Daily Futures contract with Reset Date</th><th colspan="2">FTSE100 Daily Futures contract with Reset Date</th></tr>
<tr><td>Trading Units</td><td colspan="5">Index × 100 yen</td></tr>
<tr><td>Tick Sizes</td><td colspan="5">1 point (100yen)</td></tr>
<tr><td>Price Quotation</td><td colspan="5">Yen equivalent to 1 contract</td></tr>
<tr><td rowspan="4">Trading Hours</td><td></td><td colspan="2">Opening※2</td><td colspan="2">Closing</td></tr>
<tr><td>Standard Time/NY,U.S.A.& Standard Time/Europe</td><td colspan="2" rowspan="2">DAX® 4:00PM
FTSE 5:00PM</td><td colspan="2">Next day 6:00AM</td></tr>
<tr><td>Summer Time/NY,U.S.A.※3 & Standard Time/Europe</td><td colspan="2" rowspan="2">Next day 5:00AM</td></tr>
<tr><td>Summer Time/NY,U.S.A.※3 & Summer Time/Europe※4</td><td colspan="2">DAX® 3:00PM
FTSE 4:00PM</td></tr>
<tr><td>Non-Trading Day</td><td colspan="5">1. Saturday, Sunday, and holidays of the exchanges that list stocks comprising the indexes of each contract
2. Day(s) which falls on between Last Trading Day and Reset Date. (Only applicable to contracts held unsettled till the end of Last Trading Day.)</td></tr>
<tr><td>First Trading Day</td><td colspan="5">The trading day immediately following the Second Friday of September (Monday in principle)</td></tr>
<tr><td>Last Trading Day</td><td colspan="5">The trading day immediately preceding the Third Friday of December of the following year of the contract commencement</td></tr>
<tr><td>Reset Date</td><td colspan="5">The trading day immediately following the Third Friday of December of the following year of the contract commencement</td></tr>
<tr><td rowspan="2">Reset Price</td><td colspan="5">Reset Price is the final settlement price by which outstanding position held unsettled on the Reset Date is settled.</td></tr>
<tr><td colspan="5">The final settlement price of exchange-traded future of the equivalent underlying (December contract of the year Reset is made) rounded to the nearest whole number</td></tr>
<tr><td rowspan="2">Interest</td><td colspan="5">Settlement Price ×100 ×Foreign Currency Interest Rate × Days / 365</td></tr>
<tr><td colspan="5">Buyer pays / Seller receives</td></tr>
<tr><td>Dividend</td><td colspan="3">None</td><td colspan="2">Buyer receives / Seller pays</td></tr>
<tr><td>Settlement</td><td colspan="5">Cash Settlement(¥)
Outstanding position not offset by the last trading day will be settled at “Reset Price”</td></tr>
</table>

※2. There will be a 10 minute Pre-Open period prior to the commencement of each session, except for Nikkei 225 Daily Futures contract with Reset Date and DJIA Daily Futures contract with Reset Date which set aside a 30 minute Pre-Open period every Monday prior to the commencement of each session. (During Pre-Open period, only order submission is permitted but order matching is not.)

※3. Summer time/NY,U.S.A. refers to the period of time from the second Sunday of March to the First Sunday of November.

※4. Summer Time/Europe refers to the period of time from the last Sunday of March to the last Sunday of October.

Trading hours are subject to change according to market holidays, etc. Any change in trading hours will be announced in advance on TFX Website.

<table>
<tr><th>Listed Product</th><th colspan="3">Gold ETF Daily Futures contract with Reset Date</th><th colspan="3">WTI ETF Daily Futures contract with Reset Date</th></tr>
<tr><td>Trading Units</td><td colspan="6">ETF price × 100 yen</td></tr>
<tr><td>Tick Sizes</td><td colspan="6">1 yen (100yen)</td></tr>
<tr><td rowspan="3">Trading Hours</td><td colspan="2"></td><td colspan="2">Opening※5</td><td colspan="2">Closing</td></tr>
<tr><td colspan="2">Standard Time/NY,U.S.A.</td><td colspan="2" rowspan="2">9:00AM</td><td colspan="2">Next day 6:00AM</td></tr>
<tr><td colspan="2">Summer Time/NY,U.S.A.※6</td><td colspan="2">Next day 5:00AM</td></tr>
<tr><td>Non-Trading Day</td><td colspan="3">1. Saturday, Sunday, New Year's Day and January 2 When New Year's Day falls on Sunday
2. Exchange holiday of the major US gold futures market
3. Day(s) which falls on between Last Trading Day and Reset Date. (Only applicable to contracts held unsettled till the end of Last Trading Day.)</td><td colspan="3">1. Saturday, Sunday, New Year's Day and January 2 When New Year's Day falls on Sunday
2. Exchange holiday of the major US WTI Crude Oil futures market
3. Day(s) which falls on between Last Trading Day and Reset Date. (Only applicable to contracts held unsettled till the end of Last Trading Day.)</td></tr>
<tr><td>First Trading Day</td><td colspan="6">The trading day immediately following the Second Friday of September (Monday in principle)</td></tr>
<tr><td>Last Trading Day</td><td colspan="6">The trading day immediately preceding the Third Friday of December of the following year of the contract commencement</td></tr>
<tr><td>Reset Date</td><td colspan="6">The trading day immediately following the Third Friday of December of the following year of the contract commencement</td></tr>
<tr><td rowspan="2">Reset Price</td><td colspan="6">Reset Price is the final settlement price by which outstanding position held unsettled on the Reset Date is settled.</td></tr>
<tr><td colspan="6">Net Asset Value (per Unit of the ETF of the equivalent underlying) of the third Friday of December</td></tr>
<tr><td rowspan="2">Interest</td><td colspan="6">Settlement Price ×100 ×JBA Euroyen TIBOR 12Month × Days / 365</td></tr>
<tr><td colspan="6">Buyer pays / Seller receives</td></tr>
<tr><td>Dividend</td><td colspan="6">None</td></tr>
<tr><td>Settlement</td><td colspan="6">Cash Settlement(¥)
Outstanding position not offset by the last trading day will be settled at "Reset Price"</td></tr>
</table>

※5. There will be a 10 minute Pre-Open period prior to the commencement of each session, except for Pre-Open period on Monday when 30 minutes are set aside for Pre-Open period prior to the commencement of each session.(During Pre-Open period, only order submission is permitted, but order matching is not.)

※6. Summer time/NY,U.S.A. refers to the period of time from the second Sunday of March to the First Sunday of November.

Trading hours are subject to change according to market holidays, etc. Any change in trading hours will be announced in advance on TFX Website.

(2) Brief Outline

Since its listing in 2005, Click 365 (FX Daily Futures contracts) has steadily grown and established solid populatiry among domestic retail investors. To follow this success and expand investors' choices and opportunities, TFX introduced Click Kabu 365 (Equity Index Daily Futures) in November 2010. With this listing, TFX has made epochs with such user convenience as allowing investors to trade overseas equity indices in contract prices denominated in yen almost round the clock for Nikkei 225 and DJIA contracts.

(3) Features of Click Kabu 365

1 A wide variety of product lineup (expanded investment range)

Click Kabu 365 provides opportunities for investors to trade not only daily futures on major domestic and foreign stock indices (i.e. Nikkei 225 and DJIA) but also Gold and WTI ETF daily futures.

2 Tradable for almost 24 hours including holiday ※1

Click Kabu 365 investors can enter Nikkei 225 and DJIA Daily Futures contracats at nearly any time of the day. Even at night and on national holidays when Japanese markets are closed, investors can monitor movements of Nikkei 225 prices caused by news and events in major overseas equity markets, and can trade in real time without missing opportunities.

3 Leverage transactions by depositing margin as collateral ※3

The leverage effect allows investors to trade large amounts with the margin dposited as collateral.

【Example】When the price of the Nikkei 225 is at 20,000 yen, an investor deposits 100,000 yen as margin and purchases one trading unit of Nikkei225 Daily Futures contract with Reset Date.

(Required margin amount ※)		(price of the Nikkei 225)		(1 trading unit)		(Transaction amount)
100,000 yen	⇒	20,000 yen	×	100 yen	=	2,000,000 yen

Leverage is 20 times

※ Required amount may vary depending on the financial instruments business operator of your choice.

As shown in the table below, you can expect amplified profits due to positive leverage effect (if the market moves to your advantage), but you should be aware that you may incur amplified losses if the market moves to your disadvantages.

(yen)

Transaction amount at the time of purchase	2,000,000				
Nikkei 225 Price at sale	19,600	19,800	20,000	20,200	20,400
Transaction amount at sale	1,960,000	1,980,000	2,000,000	2,020,000	2,040,000
Profit and Loss (excluding fees, taxes, etc.)	-40,000	-20,000	0	20,000	40,000

4 Going short (SELL) as well as long (BUY)

In Click Kabu 365, you can enter the market not only from buying but also from selling. You can get profits not only in the rising phase of the price but also in the falling phase.

5 Dividends to be paid (same as cash stocks) ※2

Click Kabu 365 investors who have long positions can receive dividents, similarly as cash stock holders receive dividends (In the case of short positions, investors have to pay dividends).

6 Trading overseas equity indices without currency risk

Click Kabu 365 offers investors the opportunity to not only trade on the Nikke 225, but also on other major global indices such as DJIA (USA), FTSE 100 (UK), and DAX® (Germany). Those overseas equity indices in contract prices denominated in yen (the conversion rate is fixed at 100 yen), domestic investors basically funding in yen are free from the currency rate movement risk.

※1 Non trading days: Saturdays, Sundays, and January 1 (and January 2, if January 1 falls on Sunday). Extra days will be added as necessary.

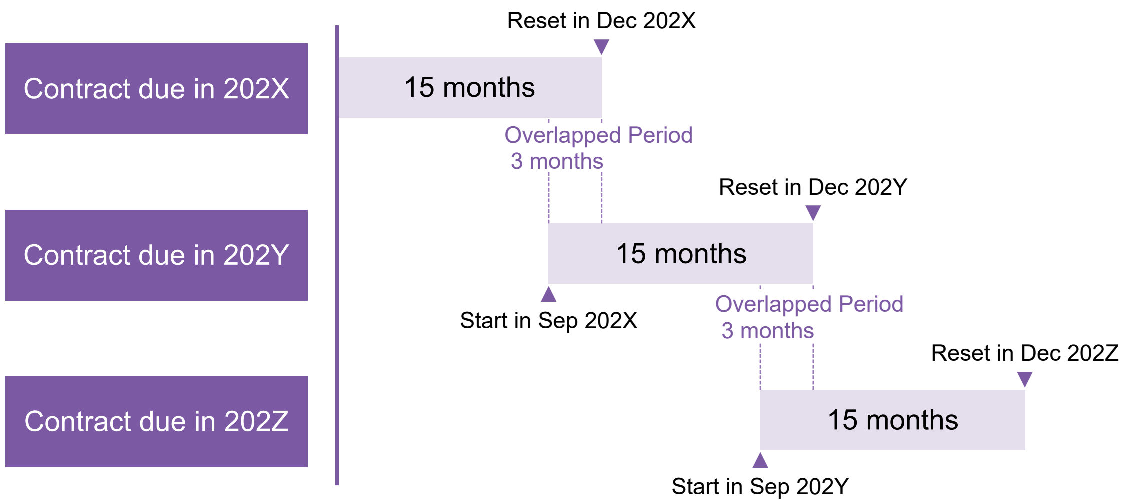
※2 TFX calculates dividend based on expected dividend. Investors who have long positions pay interests. The amount of the interest may exceed the dividend. There is no shareholder benefit except dividend. There is no dividend on DAX®

(4) What does "with Reset Date" mean? -settlement scheme on due date

What does the "Reset" mean?

Reset means once-a-year settlement of outstanding position at Reset Price that is equivalent to the underlying asset's price.
Settlement is made at Reset Price (final settlement price for Click Kabu 365) for outstanding positions left unsettled until the Last Trading Day in December every year.

Schedule in summary: start and end (reset) of trading Click Kabu 365



Note: "First Trading Day" , "Last Trading Day" and "Reset Date"

For Click Kabu 365, the First Trading Day means a trading day on which trading of a contract with a new Reset Date is commenced. On Reset Date, positions unsettled or rolled-over until then are settled. The Last Trading Day is set on a trading day immediately preceding the Reset Date.

	Nikkei 225 Daily Futures	DJIA, DAX®, FTSE100, Gold ETF, WTI ETF Daily Futures
First Trading Day	The trading day immediately following the Second Friday of September (Monday in principle)	
Last Trading Day	The trading day immediately preceding Reset Date	The trading day immediately preceding the Third Friday of December of the following year of the contract commencement
Reset Date	The second Friday of December of the following year of the contract commencement	The trading day immediately following the Third Friday of December of the following year of the contract commencement

What does "Reset Price" mean?

Reset Price is the final settlement price by which outstanding position held unsettled on the Reset Date is settled.

	Reset Price
Equity Index	The final settlement price of exchange-traded future of the equivalent undelying (December contract of the year Reset is made) rounded to the nearest whole number
ETF	Net Asset Value (per Unit of the ETF of the equivalent underlying) of the third Friday of December

The Nikkei Stock Average is a copyrighted index calculated by a method independently developed by Nikkei Inc. Nikkei Inc holds the copyright, the intellectual property rights, and all other rights associated with the Nikkei Stock Average itself and the method of calculating Nikkei Stock Average. Business of Equity Index Daily Futures contracts, the underlying assets of which are the Nikkei Stock Average ("Nikkei 225 Daily Futures contracts with Reset Date"), and the enforcement of trading regulations for such contracts shall be managed under the responsibilities of Tokyo Financial Exchange Inc. ("TFX") and its Trading Members, and Nikkei Inc shall not assume any obligations or responsibilities thereof. In operating Nikkei 225 Daily Futures contracts with Reset Date, TFX is responsible for calculating and publishing the ex-dividend prices of stocks used in the Nikkei Stock Average, which are required for Nikkei 225 Daily Futures contracts with Reset Date. Nikkei Inc has the right to change component stocks in the Nikkei Stock Average, the method of calculation, and other details of the Nikkei Stock Average, and to discontinue the publication of the Nikkei Stock Average. Nikkei Inc shall not be obligated to continuously publish the Nikkei Stock Average, and shall not be liable for any errors, delay or discontinuation of publication.

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T-CLEAR FX (FX Clearing Futures contracts)

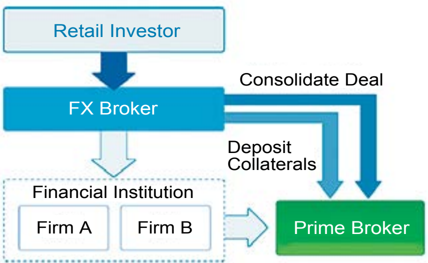
Overview

Entrenched in Japan with support from local investors, OTC FX Margin Trading market in Japan is the largest in the world. To help promote its healthy development, TFX opened a market in May 2021 for FX Clearing Futures contracts ("T-CLEAR FX") as the first milestone within the "T-CLEAR series"; an FX broker can use T-CLEAR FX to mitigate settlement risks from Cover Deal which is associated with OTC transactions conducted vis-a-vis an investor. Wide use of T-CLEAR FX will serve as safety net to block systemic risks (i.e. settlement risk for the market participants as a whole). By applying the CCP clearing scheme to various products one after another, TFX will contribute extensively to sound development of financial market in Japan.

Scheme

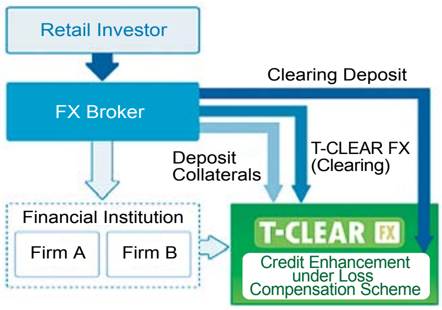
(1) Cover Deal and settlement by conventional method

In general, an FX broker manage risks of conducting OTC transactions with investors by making Cover Deal with financial institutions in Foreign Exchange market; the broker consolidates such Cover Deal to a specific financial institution to manage clearing and settlement of securities using Prime Broker (PB) services offered by the institution:



(2) Cover Deal and settlement via T-CLEAR FX

As an alternative and supplement to the existing PB services, T-CLEAR FX makes secure and stable scheme to support the settlement of Cover Deal by FX brokers, enhancing their creditworthiness:



Currency Pairs, etc.

(1) Currency Pairs

Yen Currency Pairs (15 pairs)

USD/JPY, EUR/JPY, GBP/JPY, AUD/JPY, CHF/JPY, CAD/JPY, NZD/JPY, ZAR/JPY, TRY/JPY, NOK/JPY, HKD/JPY, SEK/JPY, MXN/JPY, CNH/JPY, SGD/JPY

Cross Currency Pairs (18 pairs)

EUR/USD, GBP/USD, GBP/CHF, USD/CHF, USD/CAD, AUD/USD, EUR/CHF, EUR/GBP, NZD/USD, EUR/AUD, GBP/AUD, AUD/CHF, AUD/NZD, NZD/CHF, USD/HKD, AUD/CAD, EUR/CAD, CAD/CHF

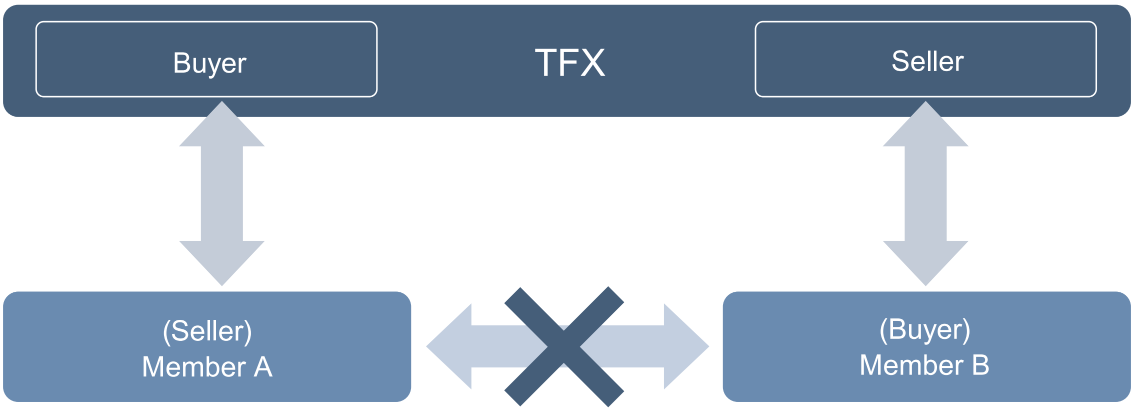
(2) Business Day: Except for Saturday, Sunday, New Year's day and January 2nd when New Year's day falls on Sunday.

(3) Market Trading Period: from 7:00 a.m. to 7:00 a.m on the following calendar day
(During U.S. Daylight Saving Time, from 6:00 a.m. (or 7:00 a.m. only on Monday) to 6:00 a.m. of the following calendar day.)

Clearing at TFX

• Clearinghouse

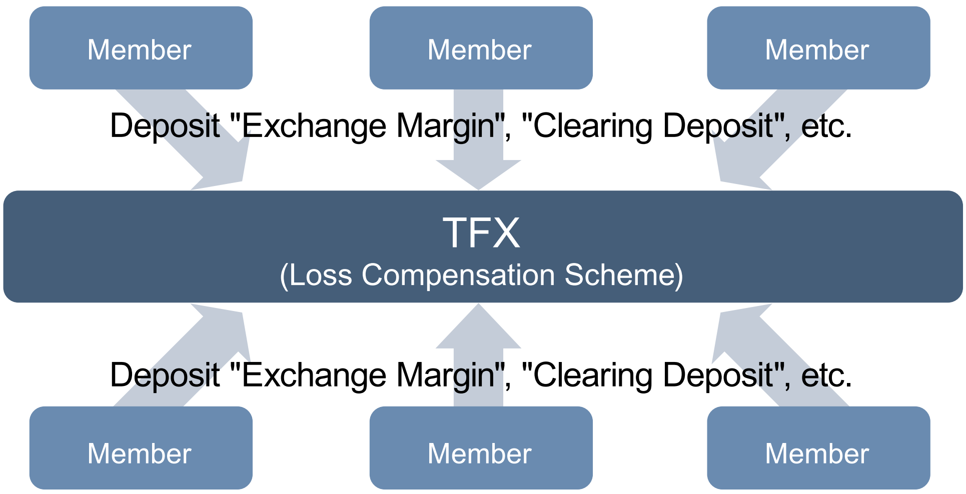
A clearinghouse interposes itself between counterparties to all contracts traded at TFX market, becoming the buyer to every seller and the seller to every buyer, and thereby ensuring the performance of open contracts.
Market participants hereby can trade without worrying about counterparty's credit risk. TFX has a function of clearinghouse, and ensures the credibility of TFX market.



There is no debt and credits between Trading Member A and Trading Member B.
In Daily Futures contracts, either Buyer or Seller should be a Market Maker. The Other side should be a Trading Member

• Loss Compensation Scheme

TFX sets strict clearing membership requirements to acquire and maintain for prospective members. In addition, TFX daily monitors credit risk associated with clearing members. To prepare for a situation where a clearing member becomes insolvent and causes loss incurred by TFX as a central counterparty, deposit of Exchange Margin, Clearing Deposit, etc. is mandatory for clearing members and TFX itself maintains Default Compensation Reserve. Loss (if any) incurred after using Default Compensation Reserve shall be mutually shared by members to protect function of the clearing house. Using this scheme ("Loss Compensation scheme"), TFX can block systemic risks.



Trading Risk at TFX

Common Risks Applicable to Both Types of Contracts

Price Fluctuation Risk

Fluctuations in interest rates, currency rates, prices of equity indices or prices of ETFs related to gold or crude oil may cause a loss. Since the transaction amount is much larger than the deposited exchange margin, these fluctuations may cause a loss exceeding the deposited exchange margin, depending on market conditions. Click kabu 365 prices also do not reflect the actual prices of equity index or ETF. The difference in these two prices can expand due to factors such as supply and demand balance and market conditions. Therefore, investors may incur losses when they are unable to trade contracts at prices they expect based on actual prices of equity index or ETF.

Credit Risk

TFX has introduced the clearing system under which it acts as a counterparty to a TFX Trading Member in each contract and TFX segregates all exchange margins deposited by Customer; therefore, all deposited margins are in principle protected. Provided, however, that non-payments by a TFX Trading Member etc., due to changes in credit status or bankruptcy by a TFX Trading Member etc., may cause delays in completing refund procedures or unexpected loss.

System Failure Risk

If a failure occurs in the system of TFX or a TFX Trading Member, or network system among Customers, TFX Trading Members and TFX, delivery of market information, etc, placement of order or execution thereof may be delayed or become impossible, and as a result, an unexpected loss may be caused.

Risks of changes in tax systems, laws, etc.

Changes in tax systems, laws or their future interpretation may cause unfavorable results.

Risks of retail products

Interest Rate Fluctuation Risk

Fluctuations in the interest rate of Japanese currency or foreign currency in relation to Click 365 or Click Kabu 365 may decrease the swap point of Click 365 or the interest of Click Kabu 365 to be received, or increase the same to be paid. With Click 365, if the interest rate levels of two countries comprising a position are reversed, the party holding the position to receive swap points may be required to make payments under such transaction. As to certain currency underlying the relevant transaction, various factors such as correlation between supply and demand of such currency in the foreign exchange market may also increase or decrease swap points or may cause the reversal of receipt or payment of swap points, notwithstanding the fluctuation of interest rates. There could even be a case where an investor has a long position in a currency with a higher interest rate but is required to pay swap points.

Liquidity Risk

Click 365 and Click kabu 365 introduced the Market-Making Method for Exchange FX Margin contracts, in which Market Maker offers ask and bid prices at which Customers may execute a transaction. It may become difficult or impossible for Market Maker to provide the ask and bid prices in a stable and sustainable manner, depending on certain conditions such as acts of God, war, political change, change in legislation, in foreign exchange policies or in laws and rules of the relevant country, system changes at the exchanges on which the issues that comprise the relevant equity indices are listed, restrictions on trading of futures contracts whose underlying assets are relevant equity indices, change in policies or in laws and rules on commodity market, etc. of the relevant country, system changes or restrictions on trading at the exchanges on which ETFs are listed, restrictions on trading of commodity futures contracts related to ETFs, delay or suspension in the distribution of information, or sharp fluctuations in the currency market, etc., and as a result, Customers may not be able to trade at expected prices and suffer an unexpected loss therefrom.
Transactions involving a certain currency in Click 365 may not regularly be traded on a day on which the market in a country of such currency is closed for business. Further, trading of transactions involving certain currency pairs may become impossible, where any abnormal circumstances occur, such as where foreign exchanges adopt certain measures or policies or where the relevant country implements restrictions for the cessation of currency exchanges or closure of foreign exchange markets.
In addition, even under normal conditions, transactions in the currencies or equity indices or ETFs with lower liquidity may cause a loss to Customer due to causes such that Customer is not able to execute a transaction at the desired price.

Risk of FX Daily Futures Contracts

Currency Conversion Risk

Since Cross Currency Pairs transaction (foreign currency pairs trading) is not settled in the relevant foreign currency but in Japanese Yen, it entails an exchange rate risk not only against the relevant foreign currency but also against Japanese Yen at the time of settlement (the “Currency Conversion Risk”).

Risks of Equity Index Daily Futures Contracts

Foreign Exchange Risk

When trading overseas Equity Index Daily Futures, Equity Index Customer does not carry foreign exchange risks. However, Equity Index Market Maker takes into account foreign exchange risks when providing bids and offers and as a result, the spreads may become large in accordance with the foreign exchange market conditions and Equity Index Daily Futures Customer may not be able to trade at prices they expect and subsequently incur an unexpected loss.

Risks related to forecast of dividends

TFX calculates the dividend amount as the theoretical amount that will impact the equity index in the future based on the forecast of dividends as of the last cum-rights date. The amount equivalent to the dividends calculated by TFX is resultantly different from that calculated based on actual dividend payments, or forecast of dividends or actual dividends for the actual shares that comprise the index.

Trading / Clearing Members

(As of September 13.2021)

Trading Member	Interest Rate Futures contracts			FX Daily Futures contracts Click 365		Equity Index Daily Futures contracts Click Kabu 365	
	Trading Member	Clearing Member	Inactive	Trading/Clearing Member	Market Maker	Trading/Clearing Member	Market Maker
AI GOLD SECURITIES CO., LTD.				○		○	
Aozora Bank, Ltd.	○	○					
au Kabucom Securities Co.,Ltd.				○		○	
IwaiCosmo Securities Co.,Ltd.				○		○	
INVAST Securities Co.,Ltd.				○			
ABN AMRO Clearing Tokyo Co.,Ltd.						○	○
Okasan Online Securities Co., Ltd.				○		○	
Okasan Securities Co., Ltd.	○	○					
Okayasu Shoji Co., Ltd.				○		○	
Gaitame Online Co.,Ltd.				○			
Credit Agricole Securities Asia B.V.	○	○					
Credit Suisse Securities (Japan) Limited	○	○					
Goldman Sachs Japan Co., Ltd.	○	○		○	○		
Commerzbank Aktiengesellschaft				○	○		
Citigroup Global Markets Japan Inc.	○	○					
The Shoko Chukin Bank, Ltd.	○	○					
Shinkin Central Bank	○	○					
SBI Sumishin Net Bank, Ltd.				○			
Daiwa Securities Co., Ltd.	○	○		○		○	○
The Tachibana Securities Co., Ltd.				○			
The Chiba Bank, Ltd.	○	○					
Deutsche Securities Inc.	○	○		○	○		
Nissan Securities Co., Ltd.	○	○		○		○	○
The Norinchukin Bank	○	○					
Nomura Securities Co., Ltd.	○	○		○	○		
Barclays Securities Japan Limited	○	○					
Barclays Bank PLC				○	○		
Himawari Securities, Inc.						○	
FUJITOMI SECURITIES CO.,LTD.				○		○	
MONEY SQUARE, INC.						○	
Mizuho Bank, Ltd.	○	○					
Mizuho Securities Co., Ltd.	○	○					
SUNWARD TRADING INC.				○			

Trading Member	Interest Rate Futures contracts			FX Daily Futures contracts Click 365		Equity Index Daily Futures contracts Click Kabu 365	
	Trading Member	Clearing Member	Inactive	Trading/Clearing Member	Market Maker	Trading/Clearing Member	Market Maker
Sumitomo Mitsui Banking Corporation Limited	○	○					
Sumitomo Mitsui Trust Bank, Limited.	○	○					
MUFG Bank, Ltd.	○	○		○	○		
Mitsubishi UFJ Trust and Banking Corporation	○	○					
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	○	○					
Morgan Stanley MUFG Securities Co., Ltd.	○	○					
YUTAKA TRUSTY SECURITIES CO.,LTD.				○		○	
The Bank of Yokohama, Ltd.	○	○					
Resona Bank, Ltd.	○	○					
BofA Securities Japan Co.,Ltd.	○	○					
FX Broadnet Co., Ltd.				○			
GMO CLICK Securities, Inc.				○			
JPMorgan Securities Japan Co., Ltd.	○	○					
KOYO Securities Co., Ltd.						○	
SBI Securities Co., Ltd.						○	
SMBC Nikko Securities Inc.	○	○					
UBS Securities Japan Co., Ltd.	○	○					
ABN AMRO Clearing Tokyo Co.,Ltd.	○	○	○				
The Bank of Fukuoka, Ltd.	○	○	○				
The Bank of Kyoto,Ltd.	○	○	○				
The Gunma Bank, Ltd.	○	○	○				
The Hachijuni Bank, Ltd.	○	○	○				
The Hyakujushi Bank, Ltd.	○	○	○				
The Joyo Bank, Ltd.	○	○	○				
Mizuho Trust & Banking Co., Ltd.	○	○	○				
The Ogaki Kyoritsu Bank, Ltd.	○	○	○				
Shinsei Bank, Ltd.	○	○	○				
The Yamaguchi Bank, Ltd.	○	○	○				

In addition, member participants in FX Clearing Futures trading are as follows: "Central Tanshi FX Co., Ltd." and "GMO CLICK Securities, Inc." as FX Broker Trading Member; "Commerzbank Aktiengesellschaft" and "Barclays Bank PLC" as LP Trading Member.

Easy, Free and Convenient!

Guide to app for smartphone "Torihikijo (Exchange) 365"

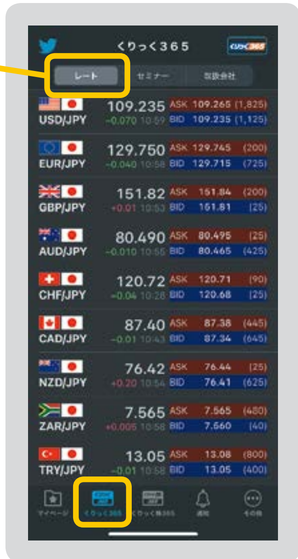
How to use "Torihikijo 365", free app provided by TFX for smartphone.

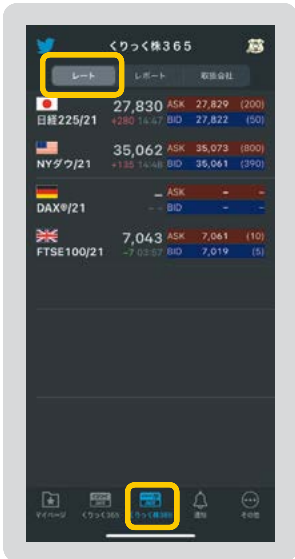
Users can access via the app market information displayed for 30 currency pairs of "Click 365" and 6 indices of "Click kabu 365". (Japanese language version only)

In addition to market price data, URL link for broker firms and invitation to seminars, etc. are posted.

Useful for checking the market rate.

For example, by selecting a currency pair, users can display chart for the currency pair; for detailed customization, setting can be changed.





Notice when a predifined price is traded in the market

With registered e-mail address and predefined setting (selected market and a designated price), push-notifucation is sent when the market moves and traded at the designated price.

Guide to downloading the app.

Please scan the QR code here with your smartphone.

Guide to app for smartphone "Torihikijo 365" : https://www.click365.jp/sp/contents09.html

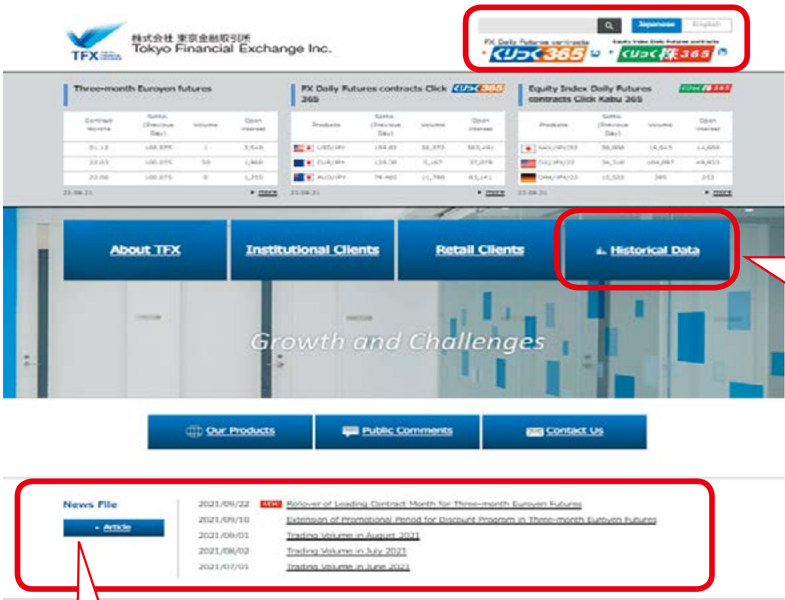
▷ Guide to TFX Official Website ◁

TFX posts the latest information including its corporate history, product overview, rules and regulations and electronic public notices on the official website.

Linkage to the dedicated page of a product of your choice.

TFX posts detailed market movement of currency pairs, trading calendar and seminar information, etc.

Trading trend info is weekly updated; on every Tuesday for Click 365 and on every Tuesday and Friday for Click kabu 365.



Trade related data

Daily Statistics Report, the number of client accounts, deposited margin amount, Summary Data, etc. are posted here.

News from TFX (including monthly trading volume and topics) is posted here.

Comprehensive Exchange for Financial Derivatives

Tokyo Financial Exchange Inc. : https://www.tfx.co.jp

TFX TOKYO FINANCIAL EXCHANGE

Tokyo Financial Exchange Inc.

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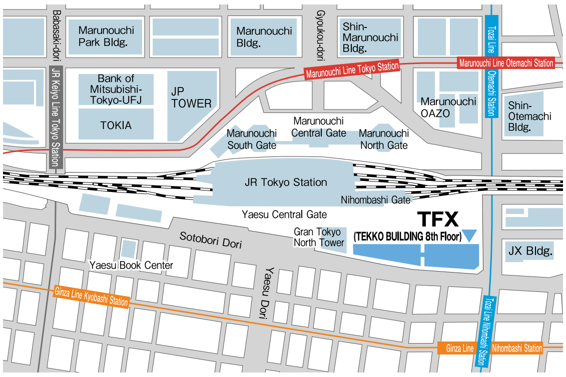
TEL : +81 3 4578 2400 FAX : +81 3 3212 5780
URL : https://www.tfx.co.jp/en/



Access

Two minute walk from JR Tokyo Station
Six minute walk from Tokyo Subway Station
Two minute walk from Otemachi Subway Station
Three minute walk from Nihombashi Subway Station